Program Statement

OPI: FPI
NUMBER: 8241.02
DATE: 8/7/2001
SUBJECT: Customer Order Entry Data Accuracy - FPI

1. **PURPOSE AND SCOPE.** To develop and implement a plan to achieve 98 percent accuracy of sales orders within **Millennium**.

This directive includes testing of orders from customers.

~ This does not include stock transfer orders (STO) (internal orders from other factories within Federal Prison Industries (FPI)).

Reliable data within **Millennium** is crucial for the successful operation of Material Requirements Planning (MRP).

2. **SUMMARY OF CHANGES.** References to the SYMIX MRP System were removed and replaced with **Millennium**, UNICOR's new ERP System.

3. **PROGRAM OBJECTIVES**. The expected results of this program are:

 a. Accurate customer order information will increase FPI's ability to provide the customer with the products/services ordered with on-time delivery and will result in improved customer satisfaction.

 b. Accurate order information will improve the process for ordering raw materials, thereby decreasing excess and obsolete inventory, and improving FPI's cash position and net income.

4. **DIRECTIVES AFFECTED**

 a. **Directive Rescinded**

 PS 8241.01 Customer Order Data Entry Accuracy (6/25/98)

b. **Directive Referenced**

    PS 8270.02   Customer Service Center Manual - UNICOR
                      (2/18/98)

5. **STANDARDS REFERENCED**.   None

6. **RESPONSIBILITY**.   The Manager of the UNICOR Customer Service
Center (CSC) at FMC Lexington will develop and implement a plan
to achieve 98 percent accuracy of relevant sales order entry
data.

The Associate Warden/Superintendent of Industries (AW/SOI) will
develop and implement a plan to achieve 98 percent accuracy for
those locations entering their own customer orders.

7. **DEFINING ACCURACY OF ORDER ENTRY DATA**.   All items listed
below must be correct on a customer order before that order can
be considered accurate.   These items will be reviewed as part of
the accuracy test for both the CSC and those locations entering
their own orders and have been identified as crucial data for
establishing data base integrity.

    C   Purchase order number
    C   Invoice type
    C   Customer address ("ship to" and "bill to")
    C   Line item part numbers and descriptions
    C   Configuration string
    C   Line item quantity
    C   Line item pricing
    C   Due date
    C   Customer point of contact (POC)
    C   Special shipping instructions
    C   Billing data

8. **TESTING FOR ACCURACY**.   The CSC Manager or AW/SOI will
initiate procedures to test all customer orders' accuracy level.

    ~   The data contained in **Millennium** will be compared with
          the hard copy of the same order, including any
          Modification/amendment or other documentation
          indicating the customer's authorization, to determine
          accuracy.

    ~   If no hard copy or paper documentation of the order
          exists (i.e., credit card, Internet, Electronic Data
          Interchange orders), then the customer will be

contacted by mail or other means (i.e., GroupWise for vertical integration orders) to verify that the information is correct.

Each month, staff will select at random a sample size of one percent of the orders entered in the previous two months. The sample will not exceed 100 line items and must consist of at least 10 different orders.

Testing of the orders will be as follows:

a. The customer's purchase order number in **Millennium** must agree with the hard copy of the customer order.

b. The invoice type will be proper for invoicing the ordering agency; i.e., O = OPAC, C = Credit Card, T = Transfer, F = Form 5, D = DD 250.

c. The customer number in **Millennium** will provide an address that agrees with the ordering contracting office's address.

The 'bill to' address information in **Millennium** will meet the requirements of the customer's invoicing directions on the order. The 'ship to' address will also agree with the shipping address on the order.

d. The line item part number and description in **Millennium** must agree with the customer's order.

e. The line item configuration string (if applicable) must agree with the custom options the customer selected.

f. The line item quantity in **Millennium** must agree with the quantity the customer ordered.

g. The price contained in **Millennium** must agree with the customer order (except for some Print orders which do not contain prices) and **Millennium** must include (if applicable) any instructions for billing of freight costs.

~   Exceptions are made for orders which follow a different format, such as Social Security Administration orders.

h. The sales order line item due date in **Millennium** will agree with the due date the customer specified (either on the hard copy

of the customer order, the last modification/amendment to the

order, or other documentation indicating the customer's
authorization).

 i. The sales order header text will contain relevant customer
point of contact (POC) information, including a working phone
number, provided that this information is included on the
customer's order.

 j. The sales order header text will contain special shipping
instructions (i.e., inside delivery or special set-up
instructions).

 ˜   If the customer order contains multiple shipping
     addresses, then the instructions will be contained at
     the "drop-ship to" level.

 k. The sales order header text will contain any necessary
billing information such as the appropriation code.

9. **ACCURACY TESTING AT THE FACTORY**. Certain sales order entry
data must be tested at the factory level.

 ˜   All factories (including those that enter their own
     orders) will perform an accuracy test each month on the
     data described below.

Although the AW/SOI is responsible for this data's accuracy,
the Business Manager will be responsible for conducting these
tests.

 ˜   Staff will select at random a sample of 10 percent of
     the orders entered the previous two months on which
     some shipment has been made.

 ˜   The sample will not exceed 50 orders.

The following items, contained in **Millennium**, must be correct
before an order can be considered accurate at the factory level.

 a. The quantity shipped at the line item in **Millennium** will
agree with the shipping documentation for that line item (i.e.,
GBL, picklist).

 b. The last shipping date at the line item level in **Millennium**
will agree with the date on the last shipping document for that
line item (i.e., GBL, pick list).

10. **ACCURACY LEVEL CALCULATION.** The customer order accuracy level will be determined by dividing the number of orders in which no errors were found by the total number of orders tested.

   ~   The types and frequency of errors discovered will be documented.

11. **LESS THAN 98 PERCENT ACCURACY**

  a. If the accuracy level is less than 98 percent, the CSC Manager or the AW/SOI will review the accuracy test's findings to determine the causes for the inaccuracies and develop a corrective action plan to achieve the desired accuracy level.

  b. The CSC Manager will report the findings and corrective actions in writing to the Sales and Marketing Branch Manager, who will forward the report, with any comments, to the Senior Deputy Assistant Director.

  The AW/SOI for those locations entering their own customer orders will also report findings and corrective actions in writing to the Sales and Marketing Branch Manager, who will forward the report, with any comments, to the Senior Deputy Assistant Director.

  c. The AW/SOI will report the results of tests done at the factory level via the narrative on the monthly Memorandum of Agreement.

12. **ACCURACY LEVEL OF 98 PERCENT OR GREATER.** If the accuracy level is 98 percent or greater, the CSC Manager (or AW/I&E, SOI) may conduct the accuracy tests quarterly instead of monthly.

                                    /s/
                              Kathleen Hawk Sawyer
                              Director